

## BEFORE THE ARIZONA CORPORATION C

1 2 **COMMISSIONERS** SUSAN BITTER SMITH, Chairman **BOB STUMP** 3 **BOB BURNS DOUG LITTLE TOM FORESE** 5 IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY, AN 6 ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY, AND FOR ADJUSTMENTS TO ITS RATES AND CHARGES FOR UTILITY SERVICE FURNISHED BY ITS NORTHERN GROUP 9 AND FOR CERTAIN RELATED APPROVALS 10 11 12 13 14

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DOCKET NO. W-01445A-12-0348

PLAN OF ADMINISTRATION

ORIGINAL

At the request of the Arizona Corporation Commission's Utilities Division ("Staff"), Arizona Water Company hereby submits a Plan of Administration ("POA") for the System Improvement Benefits ("SIB") mechanism approved for the company's Northern Group in Decision No. 74081 (September 23, 2013). The attached POA mirrors the POA recently approved for Arizona Water Company's Eastern Group in Decision No. 74756 (September 22, 2014).

RESPECTFULLY SUBMITTED this 5th day of March, 2015.

ARIZONA WATER COMPANY

Arizona Corporation Commission DOCKETED

MAR 0 5 2015

DOCKETED BY

E. Robert Spear General Counsel

ARIZONA WATER COMPANY

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1	<b>ORIGINAL</b> and thirteen (13) copies of the foregoing filed this 5th day of March, 2015, with:
2	Docket Control Division
3	Arizona Corporation Commission 1200 West Washington Street
	Phoenix, Arizona 85007
4	
5	COPY of the foregoing hand-delivered this 5th day of March, 2015, to:
6	Honorable Lyn Farmer
7	Chief Administrative Law Judge Hearing Division
	Arizona Corporation Commission
8	1200 West Washington Street
9	Phoenix, Arizona 85007
	Janice Alward, Chief Counsel
10	Legal Division Arizona Corporation Commission
11	1200 West Washington Street
**	Phoenix, Arizona 85007
12	
	Steven M. Olea, Director
13	Utilities Division
14	Arizona Corporation Commission 1200 West Washington Street
	Phoenix, Arizona 85007
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1.	COPY of the foregoing e-mailed and/or mailed this 5th day of March, 2015, to:
16	Daniel W. Pozefsky, Chief Counsel
17	Residential Utility Consumer Office
	1110 West Washington Street, Suite 220
18	Phoenix, Arizona 85007
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20	Phoenix, AZ 85006
21	
	By Jandel
22	By:
23	
-	
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## FINAL NORTHERN GROUP PLAN OF ADMINISTRATION WITH EXHIBITS

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### I. GENERAL DESCRIPTION

This document is the Plan of Administration ("POA") for the System Improvement Benefits ("SIB") mechanism approved for Arizona Water Company ("Company") by the Arizona Corporation Commission ("Commission") in Decision No. 74081 (September 23, 2013). The SIB mechanism provides for the timely recovery of the capital costs (pre-tax return on investment and depreciation expense, net of associated retirements) associated with distribution system improvement projects that: (1) have not been included in rate base for recovery in Decision No. 74081; (2) are listed in the latest Commission approved SIB Plant Table I; (3) have been verified to be completed<sup>1</sup>; and (4) have been placed in service per SIB Plant Table II. Any expenditures offset by contributions in aid of construction or advances in aid of construction are not eligible for inclusion in the SIB mechanism.

### II. DEFINITIONS

- A. NARUC National Association of Regulatory Utility Commissioners
- B. SIB System Improvement Benefits mechanism, to be implemented between rate proceedings to support investment in utility plant recorded in SIB Eligible NARUC accounts.
- C. SIB Eligible Plant Investments in plant recorded in the SIB Eligible NARUC accounts.
- D. SIB Eligible NARUC accounts:
  - 1. NARUC Account No. 309 Supply Mains
  - 2. NARUC Account No. 343 Transmission and Distribution Mains
  - 3. NARUC Account No. 345 Services
  - 4. NARUC Account No. 346 Meters and Meter Installations
  - 5. NARUC Account No. 348 Hydrants
- E. SIB Plant Table I (an excerpt is attached to this POA as Exhibit 1) The schedule of planned SIB Eligible projects that is either approved in the Company's most recent rate case or updated by a subsequent Commission decision. As used herein, this term refers to the latest Commission approved SIB Plant Table I available unless reference is made to a particular Commission decision. As of the date of this POA, the latest Commission approved SIB Plant Table I is attached as Exhibit D to Decision No. 74081.

<sup>&</sup>lt;sup>1</sup> Acceptable forms of verification may include the Arizona Department of Environmental Quality Approval of Construction or signed Construction Placed in Service Notice signed by Professional Engineer where Approval of Construction is not applicable.

- F. SIB Plant Table II (an excerpt is attached to this POA as Exhibit 2) The schedule of completed and verified SIB Eligible Plant projects from the latest Commission approved SIB Plant Table I, including the associated plant retirements.
- G. Total Revenue Requirement The revenue requirement approved in Decision No. 74081, plus the SIB Authorized Revenue.
- H. SIB Revenue Requirement The revenue requirement equal to the pre-tax return on investment and depreciation expense associated with SIB-eligible projects that have been completed and placed into service, per SIB Plant Table II, net of associated retirements.
- I. SIB Revenue Requirement Efficiency Credit An amount equal to five percent (5%) of the SIB Revenue Requirement.
- J. SIB Authorized Revenue Amount equal to the SIB Revenue Requirement less the SIB Revenue Requirement Efficiency Credit, plus or minus any SIB True-up Adjustment.
- K. Gross SIB Surcharge Amount to be shown on customers' bills, based on meter size, without consideration of the SIB Surcharge Efficiency Credit.
- L. SIB Surcharge Efficiency Credit An amount equal to five percent (5%) of the Gross SIB Surcharge, to be shown on customers' bills.
- M. SIB Surcharge The amount equal to the Gross SIB Surcharge less the SIB Surcharge Efficiency Credit to be charged, based on meter size, calculated to recover the SIB Authorized Revenue. The SIB Surcharge is to be shown as a separate line item on customer bills.
- N. SIB True-up Adjustment The reconciliation of over- or under-collection of the SIB Authorized Revenue, as compared with the total SIB Surcharges collected for the preceding 12-month period. Each SIB True-up Adjustment shall also analyze the cumulative over- or under-collections to include a comparison of all past SIB Authorized Revenues, total SIB Surcharge collections, and prior SIB True-up Adjustments to be used in calculating the individual SIB True-up Adjustment by meter size.

## III. SIB RELATED FILINGS

- A. Progress Reports The Company must file with Docket Control semi-annual status reports delineating the status of all SIB Eligible Plant projects, as listed in the latest Commission approved SIB Plant Table I. The initial semi-annual status report shall include only those projects from the initial SIB Plant Table I which the Company has designated as most likely to be completed and placed in service during the first 12 months.
- B. Reconciliation and True-up Once a SIB Surcharge is implemented, the Company must file annually to true-up its SIB Surcharge collections over the preceding 12 months with the SIB Authorized Revenue for that period, and establish a surcharge or credit to true-up any over- or under-collections, regardless of whether it seeks a new surcharge. The filing

dates for these annual true-ups shall be established in the Commission's Decision approving the SIB Surcharge.

- C. SIB Surcharge Requests The Company must file the following with each SIB Surcharge request:
  - 1. SIB Plant Table II (with supporting information and documentation), listing the SIB Eligible Plant projects that have been completed and placed in service, for which the Company seeks cost recovery. Such SIB Eligible Plant must:
    - a. Be projects listed in the latest Commission approved SIB Plant Table I;
    - b. Have been completed and placed in service by the Company;
    - c. Have been verified (see footnote 1); and
    - d. Actually be serving customers.
  - 2. A summary of the Commission approved SIB-Eligible projects (shown on SIB Plant Table I approved in Decision No. 74081) the Company expects to complete and place in service during the next 12 months for inclusion in the next SIB Surcharge, to enable the Commission to establish the latest SIB Plant Table I.<sup>2</sup>
  - 3. SIB Schedule A (an example is attached to this POA as Exhibit 3), showing a calculation of the SIB Revenue Requirement, SIB Revenue Requirement Efficiency Credit, SIB Authorized Revenue, Gross SIB Surcharge, SIB Surcharge Efficiency Credit and the SIB Surcharge. Schedule A shall be supported by revenue requirement schedules supporting the revenue requirement approved in Decision No. 74081, and the pro-forma revenue requirements including the effect of SIB Eligible Plant.
  - 4. SIB Schedule B (an example is attached to this POA as Exhibit 4) showing the SIB True-up Adjustment calculation for the prior 12-month SIB Surcharge period, as well as the individual SIB True-up Adjustment by meter size.
  - 5. SIB Schedule C (an example is attached to this POA as Exhibit 5) showing the effect of the SIB Surcharge on a typical residential customer's monthly bill for both median and average usage.
  - 6. SIB Schedule D (an example is attached to this POA as Exhibit 6) which shall include an analysis of the impact of completed SIB Eligible Plant projects on the fair value rate base, revenue, and the fair value rate of return. The Company shall also include the following as part of SIB Schedule D:

<sup>&</sup>lt;sup>2</sup> Beginning with its SIB Surcharge request for the second 12-month surcharge period, the Company may request a change from the estimated Cost/Unit (shown on the SIB Plant Table I approved in Decision No. 74081) due to inflation using the latest calendar year Consumer Price Index. This may be done only if the original SIB Plant Table I Cost/Unit did not account for inflation.

- a. The most current balance sheet at the time of the filing;
- b. The most current income statement;
- c. An earnings test schedule;
- d. A rate review schedule (including the incremental and pro forma effect of the proposed increase);
- e. An adjusted rate base schedule; and,
- f. A construction work in progress ("CWIP") ledger for each project showing the accumulation of charges by month and paid contractor invoices., including a summary page showing the calculation of the SIB eligible rate base and depreciation expense net of associated retirements.
- D. The Company will maintain and provide to the Commission's Utilities Division ("Staff") and the Residential Utility Consumer Office ("RUCO") schedules in Microsoft Excel format (with all formulae intact) supporting the revenue requirement approved in Decision No. 74081, and the effects of completed SIB Eligible Plant for the current SIB Surcharge request and any previously approved SIB Surcharge and SIB True-up Adjustment requests.
- E. The Company may file its initial SIB Surcharge request with Docket Control no earlier than 12 months after the entry of Decision No. 74081.
- F. The Company may make no more than one SIB Surcharge request every 12 months with no more than five (5) SIB Surcharge requests between rate case decisions. A SIB True-up Adjustment must be filed with each SIB Surcharge request, except the first SIB Surcharge request.
- G. Unless otherwise authorized by the Commission, the Company is required to file its next general rate case for its Northern Group no later than August 31, 2017, with a test year ending no later than December 31, 2016.
- H. Any SIB Surcharges that are in effect shall be reset to zero upon the date new rates become effective in the Company's next general rate case.

### IV. SIB SURCHARGE CALCULATIONS

- A. Calculation of Amounts to Be Collected By the SIB Surcharge
  - 1. The amount to be collected by the SIB Authorized Revenue shall be equal to the SIB Revenue Requirement minus the SIB Revenue Requirement Efficiency Credit, plus any SIB True-up Adjustment. For purposes of calculating the SIB Revenue Requirement:

- a. The required rate of return is equal to the overall rate of return authorized in Decision No. 74081;
- b. The gross revenue conversion factor/tax multiplier is equal to the gross revenue conversion factor/tax multiplier approved in Decision No. 74081; and
- c. The applicable depreciation rate(s) is equal to the depreciation rate(s) approved in Decision No. 74081.
- 2. The SIB plant unit cost to be used in calculating the SIB Revenue Requirement shall be the lesser of the installed SIB plant unit cost listed in SIB Plant Table II, or 110 percent (110%) of the SIB plant estimated unit cost listed in the latest Commission approved SIB Plant Table I (See Exhibit 2).
- 3. The amount to be collected by each SIB Surcharge shall be capped annually at five percent (5%) of the revenue requirement authorized in Decision No. 74081.

## B. Reconciliation and True-Ups

- 1. The revenue collected pursuant to the SIB Surcharge over the preceding 12 months shall be trued-up and reconciled with the SIB Authorized Revenue for that period.
- 2. A new SIB Surcharge shall be combined with an existing SIB Surcharge such that a single SIB surcharge and a single SIB Efficiency Credit are shown on a customer's bill.
- 3. For each 12 month period that a SIB Surcharge is in effect, the Company shall reconcile the amounts collected by the SIB Surcharge with the SIB Authorized Revenue, for that 12 month period, consistent with Schedule B.
- 4. Any under- or over-collected SIB Authorized Revenues shall be recovered or refunded, without interest, over a 12-month period by means of a SIB True-up Adjustment.
- 5. Starting with the second annual SIB Surcharge, where there are over- or under-collected balances, such over- or under-collected balances shall be carried over to the next year, and considered in the calculation of the new SIB True-up Adjustment. If, at the time new rates go into effect in the Company's next rate case, there remains an over- or under-collected balance, such balance shall be reset to zero, and addressed in the next rate case.

### C. Earnings Test

1. Once a SIB Surcharge is in effect, the Company is required to perform an annual earnings test calculation for each SIB Surcharge request to determine whether the actual rate of return reflected by the operating income for the affected system or

division for the relevant 12-month period exceeded the most recently authorized fair value rate of return for the affected system or division.

- 2. The earnings test shall be:
  - a. Based on the most recent available operating income;
  - b. Adjusted for any operating revenue and expense adjustments adopted in the most recent general rate case; and
  - c. Based on the rate base adopted in the most recent general rate case, updated to recognize changes in plant, accumulated depreciation, contributions in aid of construction, advances in aid of construction, and accumulated deferred income taxes through the most recent available financial statement (quarterly or longer).

## V. ADDING PROJECTS TO SIB PLANT TABLE I UNDER EMERGENCY CIRCUMSTANCES

- A. The Company may seek Commission approval to add projects to SIB Plant Table I under emergency circumstances. No changes may be made to SIB Plant Table I without Commission approval.
- B. Any addition to SIB Plant Table I must be plant investment that maintains or improves existing customer service, system reliability, integrity and safety. Eligible plant additions are limited to plant replacement projects. The costs of extending facilities or capacity to serve new customers are not recoverable through the SIB mechanism.
- C. To be eligible for SIB treatment, a project must be SIB Eligible Plant.
- D. SIB Eligible Plant must satisfy at least one of the following criteria:
  - 1. Water loss for the system exceeds ten percent (10%), as calculated by the following formula: ((volume of water produced and/or purchased) (volume of water sold + volume of water put to beneficial use)) divided by (volume of water produced and/or purchased). If the volume of water put to beneficial use is not metered, it shall be established in a reliable, verifiable manner.
  - 2. Plant assets that have remained in service beyond their useful service lives (based on the Company's authorized utility plant depreciation rates) and are in need of replacement due to being worn out or in a deteriorating condition through no fault of the Company;
  - 3. Any other engineering, operational or financial justification supporting the need for a plant asset replacement, other than the Company's negligence or improper maintenance, including, but not limited to:

- a. A documented increasing level of repairs to, or failures of, a plant asset justifying its replacement prior to reaching the end of its useful service life (e.g. black poly pipe);
- b. Assets that are required to be moved, replaced or abandoned by a governmental agency or political subdivision, if the Company can show that it has made a good faith effort to seek reimbursement for all or part of the costs incurred.

### VI. SIB SURCHARGE RATE DESIGN

- A. The SIB Surcharge rate design shall be as follows:
  - 1. The SIB Surcharge shall be a fixed monthly surcharge containing a Gross SIB Surcharge and the SIB Surcharge Efficiency Credit as its two components.
  - 2. The SIB Surcharge shall be calculated by dividing the SIB Authorized Revenue by the number of active equivalent 5/8 x 3/4-inch meters at the end of the most recent 12-month period, and shall increase with meter size based on the following meter capacity multipliers:

5/8-inch x 3/4-inch	1.0 times
1-inch	2.5 times
1-1/2-inch	5 times
2-inch	8 times
3-inch	16 times
4-inch	25 times
6-inch	50 times
8-inch	80 times
10-inch & above	115 times

B. The SIB Surcharge shall apply to all of the Company's metered customers, including private fire service customers.

## VII. SIB SURCHARGE NOTICE REQUIREMENTS

- A. Thirty days prior to filing each application to implement a SIB Surcharge, the Company shall file a proposed form of notice to Staff for review, and a Summary of what the Company will be requesting in the application. Once the notice is approved by Staff, the Company shall provide a copy of the approved notice to its customers via newsletter or bill insert. After providing notice, the Company shall file a copy of the notice and a description of when and how it provided notice with each application to implement a SIB surcharge. The Summary and Notice shall include at least the following information:
  - 1. The individual Gross SIB Surcharge, by meter size;
  - 2. The individual SIB Surcharge Efficiency Credit, by meter size;

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- 3. The SIB Surcharge, by meter size; and
- 4. Directions to where the customer may obtain a summary of the projects included in the current SIB Surcharge request, including a description of each project and its cost.
- B. A SIB Surcharge shall not become effective until approved by the Commission.
- C. The Company shall provide a proposed order for the Commission's consideration.
- D. The Company shall notice its customers of the SIB Surcharge approved herein as soon as possible in a form acceptable to Staff and consistent with the notice requirements of Decision No. 74081.
- E. The Company shall not implement the SIB Surcharge until 30 days after having filed documentation in Docket Control providing the date when all effected customers have been notified of the Commission approved SIB Surcharge.

## **EXHIBIT 1**

## Water System Name and PWS ID No. SIB PLANT TABLE I

## Information to be included with SIB-Eligible Project Filings

Provide narrative why Replacement Plart is necessary     replacement of existing plant that has exceeded its designated useful life and has wom out or is in deteriorating condition due to no fault of the utility     replacement of existing plant to address excessive water	loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility	2. Provide narrative explaining why this segment of plant is a priority.	3. Provide narrative explaining how replacing this plant will benefit existing customers.	4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to	serve new customers.	<ol><li>Provide reference to related page No. in the submitted detailed Engineering Analysis supporting the need for SIB. Engineering Analysis shall also include narrative explaining</li></ol>	the utility's systematic assessment, inspection, maintenance and repair/replacement program.						
	Project Status					2					-		
And the state of t	Expected In-Service Date												
	Site (location description)												
v plant)	Subtotal Cost (estimated)		4										
nt Description (new plant) eligible plant)	Cost/Unit (estimated) <sup>2</sup>								,				Estimated Total Cost
nt Plant Description (SiB-eligible plant)	Cost/Unit (estimated)												Estimated
Replacement Plan (SIB-	Material				ah dirama						:		
Re	Diameter/ Size												
Company of the Compan	Units (Quantity)												
	NARUC Acct No/ Plant	309 Supply Mains	331	Mains	Services	334 Meters	335 Hydrants	-					
	Project No.	, and the second			,,,,								

Revised 4/1/2014

<sup>&</sup>lt;sup>1</sup> Per the Commission approved Initial SIB Table I.
<sup>2</sup> Beginning with its SIB Surcharge Request filing for Year Two, the Company may request a change from the estimated Cost/Unit (in the Commission approved Initial SIB Table I) due to inflation using the latest calendar year Consumer Price Index. This may be done only if the Initial SIB Plant Table I unit cost did not account for inflation.

## **EXHIBIT 2**

Water System Name and PWS ID No. SIB PLANT TABLE II (Page 1a)

Information to be included with SIB-Eligible Completed Project Filings

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	Net Value of Retired Plant										
'lant Retired)	Accumulated Depreciation Reserve (as of the actual retirement date)										
Original Plant (Plant Being Retired)	Original Cost										
(P	Original In- Bervice Date										
	Actual Retirement Date										
	In-Service Date (provide ADE) AOC and other related approvals by state and/or federal agencies when applicable; pictures of installed plant)										
	Actual Cost (by NARUC Act No)										
(Jr	installed Cost/Unit (actual cost)										
Replacement Plant Description (installed new plant) (SIB-eligible plant)	Marcrial										
scription (ins eligible plant	Diameter/ Size										
ement Plant DA (SIB-	Installed Quantity										
Replace	Description (Note any changes)										
	NARUC Acct No./ Plant 309 Supply Mains										
	Project No.								*		

## Water System Name and PWS ID No. SIB PLANT TABLE II (Page 1b)

ч	SIB Allowed Cost (h)=(d)-(g) when Column (e) is "Yes"	(h)=(f)-(g) when Column (e ) is "No"	<b>M</b>						
<b>20</b>	Net Value of Retired Plant		: :			.;			
f	If (e) is "No", Calculate Allowable Installed cost: (f)=110% of (a) x (c)								
v	Is (b) less than 110% of (a)? Enter "Yes" or "No				3				
p	Actual Cost (by NARUC Acct) (d)=(b) x (c)							,	
၁	Installed Units (Quantity)								
q	Cost/Unit (Installed)								-
æ	Cost/Unit (Estimated) (from Table I)								
· · ·	NARUC Acct. No/ Plant	309 Supply Mains					<u> </u>		
	Project No.								

## Water System Name and PWS ID No. SIB PLANT TABLE II (Page 2a)

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	Net Value of Retired Plant							The state of the s				8
lant Retired)	Accumulated Depreciation Reserve (as of the actual refitement date)											
Original Plant (Plant Being Retired)	Original Cost											
<b>B</b>	Original In- Service Date						a					
	Actual Retirement Date	 4 a 1 a 1 a 1 a 1 a 1 a 1 a 1 a 1 a 1 a										
	In-Service Date (provide ADEQ AOC and other related approvals by state and/or federal agencies when applicable; pictures of installed plant)										3	
	Actival Cost (by NARUC Act No)											
Qr.	Installed Cost/Unit (actual cost)											,
Replacement Plant Description (installed new plant) (SIB-cligible plant)	Material											
scription (instelligible plant)	Diameter/ Size											
ement Plant De	Installed Quantity					:						
Replace	Description (Note any changes)							A CONTRACTOR OF THE CONTRACTOR				
	NARUC Acet No./ Plant 33.1 T&D Mains											
	Project No.											

## SIB PLANT TABLE II (Page 2b)

<u> </u>			T T	T	T	Ī	Ī .	T	1	T	T	
<u>.</u>	SIB Allowed Cost (h)=(d)-(g) when Column (e) is "Yes"	(h)=(f)-(g) when Column (e) is "No"										
60	Net Value of Retired Plant				Maria projeka programata programata projeka projeka projeka projeka projeka projeka projeka projeka projeka pr							
f	If (e) is "No", Calculate Allowable Installed cost: (f)=110% of (a) x (c)			::								
Đ	Is (b) less than 110% of (a)? Enter "Yes" or "No	•										
P	Actual Cost (by NARUC Acct) (d)=(b) x (c)											
3	Installed Units (Quantity)											
p	Cost/Unit (Installed)										· .	
8	Cost/Unit (Estimated) (from Table I)								- 400			
	NARUC Acct. No./ Plant	331 T&D Mains										
	Project No.	: 1										

## Water System Name and PWS ID No. SIB PLANT TABLE II (Page 3a)

	to the second	ونسيتك	 	 	 	 	 	وسنستح	
	Net Value of Retired Plant								v
lant Retired)	Accumulated Depreciation Reserve (as of the actual retirement date)								
Original Plant (Plant Being Retired)	Original Cost								
Ð	Original fn- Service Date			:					
	Actual Retirement Date								
	In-Service Date (provide ADEQ AOC and other related approvals by state and/or federal agencies when applicable; pictures of installed plant)								
	Actual Cost (by NARUC Acct No)								
· £	Installed Cost/Unit (actual cost)								
alled new plar	Material								
scription (inst eligible plant)	Diameter/ Size								
Replacement Plant Description (installed new plant) (SIB-eligible plant)	Installed Quantity								
Replace	Description (Note any changes)								
	NARUC Acet No/ Plant 333 Services								
	Project No.								

## Water System Name and PWS ID No. SIB PLANT TABLE II (Page 3b)

	g		90 10 (e)	g) m (e)		17.			:				-
h	STB Allow	Cost	(h)=(d)-(g) when Column (e) is "Yes"	(h)=(f)-(g) when Column (e) is "No"								-	
ø	Not Value of	Retired Plant											
+	" (√) of (√) 31	Calculate Allowable Installed cost:	(f)=110% of (a) x (c)							•			
4	7.071	Is (b) less than 110% of (a)?	Enter "Yes" or "No			•					*		
7	3	Actual Cost (by NARUC Acct)							The state of the s				
	3	Installed Units	(Summar)										
	٥	Cost/Unit (Installed)	7.				,	<u> </u>	1				
	es .	Cost/Unit (Estimated)	(Tagger 1800r)			- 7		*					
11		NARUC Acct. No./		333	SEI VICES								
		Project No.	28										

## Water System Name and PWS ID No. SIB PLANT TABLE II (Page 4a)

	Plant										
	Net value of Retired Plant							-			
lant Retired)	Accumulated Depreciation Reserve (as of the actual retirement date)										
Original Plant (Plant Being Retired)	Original						-			-	
e).	Original In- Service Date										
	Actual Retirement Date										
	In-Service Date (provide ADEQ AOC and other related approvals by state and/or federal agencies when applicable; pictures of installed plant)										
	Actual Cost (by NARUC Acct No)										
6	Installed Cost/Unit (actual cost)					. 5.			à		
Replacement Plant Description (installed new plant) (SIB-eligible plant)	Material										
scription (instabligate)	Diameter/ Size	Ēs.									
ment Plant Dec (SIB-c	Installed Quantity										
Replace	Description (Note any changes)			•	A						
	NARUC Act No./ Plant 334										
	Project No.										

Water System Name and PWS ID No. SIB PLANT TABLE II (Page 4b)

					<u> </u>	Т		<u> </u>	Т	e	T		<u> </u>	T	· · · ·	Τ		
<b>a</b>	SIB Allowed Cost	(h)=(d)-(g)	when Column (e ) is "Yes"	(h)=(f)-(g) when Column (e ) is "No"						- O. M.								
80	Net Value of Retired Plant						المنافقة عندي											
4	If (e) is "No",	Calculate Allowados Installed cost:	(f)=110% of (a) x (c)					*									A CONTRACT OF THE PARTY OF THE	
a	Is (b) less than	110% of (a)?	"No or															
p	Actual Cost	(by NARUC Acct)																
ຍ	Installed	Units (Ouantity)	y			,					<del> </del>							
q	Coet/I Init	(Installed)									· ·		~					
	s .	(From Table I)											:			:		
	A-1	Acct. No./		334 34								•			<u></u>			
		Project No.		<u> </u>														

## Water System Name and PWS ID No. SIB PLANT TABLE II (Page 5a)

	Net Value of Retired Plant									
lant Letired)	Accumulated Depreciation Reserve (as of the actual retirement date)									
Original Plant (Plant Being Retired)	Original					_			-	
€.	Original In- In- Service Date					_				
	Actual Redirement Date									
	In-Service Date (provide ADEQ AOC and other related approvals by state and/or federal agencies when applicable; pictures of	installed plant)								
	Actual Cost (by NARUC Acct No)									
	Installed Cost/Unit (actual cost)								_	
Replacement Plant Description (installed new plant) (SIB-cligible plant)	Maccriat									
cription (insta ligible plant)	Diameter/ Size								2	
nent Plant Des (SIB-c	Quantity									
Replacen	Description (Note any changes)									
	NARUC Acct No./ Plant	Hydrants								
	Project No.									

## Water System Name and PWS ID No. SIB PLANT TABLE II (Page 5b)

				 	_	 <del>- 1</del>	Т	T	 T	
ď	SIB Allowed Cost (h)=(d)-(g) when Column (e) is "Yes"	(h)=(f)-(g) when Column (e) is "No"								
8	Net Value of Retired Plant									
<b>3</b>	If (e) is "No", Calculate Allowable Installed cost: (f)=110% of (a) x (c)									
e	Is (b) less than 110% of (a)? Enter "Yes" or "No									
P	Actual Cost (by NARUC Acct) (d)=(b) x (c)									
3	Installed Units (Quantity)									
P	Cost/Unit (Installed)				•					
	Cost/Unit (Estimated) (from Table I)									
	NARUC Acct. No./ Plant	335	Silbingu		:		1			
	Project No.									

Water System Name and PWS ID No. SIB PLANT TABLE II- SUMMARY (Page 6)

				 	<del>- T</del>	-	-	T	$\neg$	T	T	T	$\sqcap$		
2 GTD Allowed Cost	(from Table II column h)														
	(from Table II column d)													Total	
Information to be measured.	Description													10	
	NARUC Acet No. (SIB-eligible plant)	309 331 333	334												
	Project No.		·												

<sup>1</sup> Total SIB Allowed Cost to be used in calculating the SIB Revenue Requirement

## **EXHIBIT 3**

Water System Name and PWS ID No. Effective Date XXX Decision No .XXX Company name

SIB Schedule A

□ Consolidated Check If

**LNE** ğ

EXAMPLE

CALCULATION OF OVERALL SIB REVENUE REQUIREMENT AND EFFICIENCY CREDIT

Total Authorized Revenue Requirement , Per Decision  $\infty \infty \alpha$  , See Attached Schedules SIB Revenue Cap percentage

Per Year

2

SIB Revenue Cap

Total Revenue Requirement, (with pro forma SIB Investments). See attached revenue SIB Allowed Cost (Per SIB Table II, Summary page, Column 2)

requirements schedules as provided by Company.

SIB Revenue Requirement (line 5 minus line 1) SIB Revenue Requirement Efficiency Credit

SIB Authorized Revenue (line 6 plus line 7 plus line 8) SIB True-Up Adjustment (from SIB Schedule B)

55 % PE TBD TBD

Number of Equivalent Meters, below

TBD

\* Charge per 5/8" meter

**TB**0

留

Rev by Meter 85 58 58 58 58 08 t 08 t 08 t 08 t 08 t 5/8 x 3/4-inch Equivalent Meters 180 留 **JBD**. 8 TBD 包包包 180 Multipliers 16 25 50 80 115 Customers at SIB Cycle Year 081 081 081 081 081 081 85 55 55 55 55 55 55 55 5/8 x 3/4-inch 3/4-inch 1 1/2-Inch 1-inch 2-inch 3-inch 4-inch 6-inch 8-inch 10-inch Totals

DECISION NO.

## **EXHIBIT 4**

Decision No.

Company name
Water System Name and PWS ID No.
Decision No .XXX
Effective Date XXX

•		SIB	SIB Filing Sequence	a	
CALCULATION OF SIB TRUE-UP REVENUE REQUIREMENTS ADJUSTMENT	SIB year 1*	SIB year 2	SIB year 3	SIB year 4	4 SIB year 5
SIB Authorized Revenue, Per SIB Schedule A	TBD	TBD	TBD	TBD	TBD
Total SIB Surcharges collections for Period	TBD	TBD	TBD	TBD	TBD
SIB True-Up Adjustment	TBD	TBD	TBD	TBD	TBD

Note: The Company shall also provide an analysis of cumulative over or under collections and a net amount to be included in the SIB True-up Adjustment

\*SIB year 1 is one year after effective date



EXHIBIT 4

## **EXHIBIT 5**

Decision No.\_\_\_\_

Company name
Water System Name and PWS ID No.
Decision No.XXX
Effective Date XXX

TYPICAL BILL IMPACTS
5/8 -Inch Customers

			Step 1			Step 2			Step 3			Step 4			Step 5	
	Per Dec. No. XXXXX(no SIB															
	Surcharge)	Total Bill w/	SIB Inc.	Cumulative	Total Bill w/	518 Inc.	Cumulative	Total Bill w/	SIB Inc.	Cumulative	Total Bill w/	518 Inc.	Cumulative	Total Bill w/	SIB Inc.	Cumulathy
Gallons		SiB Year 1		% Increase	SIB Year 2 *		% Increase	SiB Year 3 *		% Increase	SIB Year 4 *		% Increase	SIB Year 5 *		% Increase
•	CBT	T80	180	OBT	TBD	180	087	780	TBD	CBT	180	180	180	08T	TBO:	2
0001	OB.L	68	色	20	<b>DBT</b>	色	OBT.	OBT.	180	QBT.	TBD	<b>TBD</b>	CBT	TBD	26	異
2000	08T	780	鱼	OE.	OBT.	題	<b>TB</b> 0	<b>OBT</b>	TBD	<b>GB</b> 2	<u>e</u>	£ 0€	- T80	OBT.	ê	180
3000	180	OST.	180		08T	æ	OBT	Ť	202	T80	OST.	<u>6</u>	180	TBO	<b>DE</b>	윤
4000	配	OBT	配	9	TBD	戶	題	ᅋ	9	<b>26</b>	TB0	<b>5</b>	TBD	<b>E</b>	<b>B</b>	율
2000	TBD	£	2	TB0	08T	2	<b>DE</b>	180	配	<b>OET</b>	<b>DBT</b>	色	200	OBT.	<u>6</u>	色
0009	ĆBT.	0E	T80	配	OBT	趸	<b>DET</b>	鱼	780	9	9	<b>DET</b>	T80	<b>08T</b>	180	92
7000	180	SE CE	E	OSF.	780	æ	<b>SET</b>	et.	<b>D8T</b>	TBD	æ	<b>E</b>	08T	<b>18</b>	<u>6</u>	9
8000	£	OP.	180	配	DEF	2	<b>E</b> E	TBD	180	991	QBT	<b>D8</b> T	OBT	TBD	TBD	180
0006	087	7B0	180	얦	CAT	2	081	TB0	즲	色	92	2	鱼	180 0	180	昆
0000	9 <u>E</u>	<b>6</b> E	180	OBT.	CBT	즲	081	08T	<b>160</b>	981	<b>DE</b>	TBD	TBO	28	90	SE.
11000	- O8T	180	180	OBT	OST	題	<b>6</b> E	æ	<b>DE</b>	鱼	QET.	<u>8</u>	OBT	鱼	TBD	<u>6</u>
12000	Œ	D8T	160	色	題	2	92	TBD	Oğ	92	2	CEL	<b>091</b>	2	2	OET
13000	윤	OBT.	780	ě	0ET	180	180	180	<b>DE</b>	鲤	TBD OBT	욛	OEL	<b>08</b> T	題	<b>B</b>
14000	2	TB0	2	Œ	087	130	0 <u>6</u>	780	0 <u>8</u>	9	081	£	<b>DET</b>	TBD	<u>6</u>	58
15000	9	087	ê	<b>B</b> E	08T	180	9	180	58	ORL	旣	<b>B</b>	£	TBD	2	2
20000	配	2	e	OBT.	08T	180	2	<b>08T</b>	180 081	OBT	OET	<b>E</b>	<b>DET</b>	180	8	180
25000	至	8	TBD	욛	T80	<b>TB0</b>	<b>DB</b> T	줟	.081	180	OBT	780	OET.	<b>B</b>	Œ	OET
Median (Cite Usage)	780	OET	8	TBD	<b>J</b>	<b>TB</b>	Œ	O8T	92	£	<b>25</b>	£	E	<b>18</b> 0	<b>18</b> 0	22
Mean (Cite Usage)	GE.	28	2	TBD	2	180	280	92	180	DEL	180	9	180	CBL	TBD	180

\*; Bills in Years 1 -5 are net of Efficiency Credit

EXAMPLE

DECISION NO.

## **EXHIBIT 6**

Decision No.

Company name
Water System Name and PWS ID No.
Decision No JOCK
Effective Date JOCK

Fair Value Rate Base, Revenue & Rate of Return - Decision No. \_\_\_\_

SIB Schedule D

•	Per Dec. No XXXXXX	Si8 Step 1	Si8 Step 2	E de) S 8   S	SIB Step 4	SIB Step 5	Total Pro- forma with SIB
Total Operating Revenue *	OKT	OBT	TBD	TBD	<b>180</b>	CBT	0 <b>5</b> F
Operating Expenses	TBD	OBT	TBD	<b>6</b> E	TBD	CBT	CBT
Operations & Maintenance	Œ	TBO		TBD	TBD	<b>T8</b> D	180
Depreciation & Amortizaton	<b>DET</b>	QBT	TB0	TBD	180	OST.	TBD
Taxes Other than Income	TBD	<b>DET</b>	<b>TB</b> 0	얦	TBO	180	<b>087</b>
Income Taxes	<b>08</b> T	180	TBO	TBD	TBO	780	盈
Total Operating Expenses	<u>6</u>	<b>TB</b> 0	TBD	TBD	OEF	OST.	180
Operating Income	OBT	180	<b>TB0</b>	OST.	180	<b>T8</b> 0	OBT
Rate Base	08T	T80	OBT	TBD	OST	780	<b>6</b> E
Rate of Return on Rate Base	<b>130</b>	OBL	. 081	Œ	윧	<b>8</b>	色
Authorized Rate of Return on Rate Base	<b>6</b>	TBD	Oğl		윤	2	<b>3</b> E

\*: SIB Revenues in Years 1-5 are net of EXANPE

EXAMPLE

DECISION NO.

SIB Schedule D and Sub-Schedule List Schedule D

Fair Value Rate Base, Revenue & Rate of Return

Rate Review

**Balance Sheet** 

Income Statement Earnings Test

Rate Base

Construction Work in Progerss (CWIP) Ledger

Calculation of Corporate Allocation Factor

